Message Text

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FOR AMBASSADOR

E.O. 11652: GDS

TAGS: EAIR, NI

SUBJECT:CIVAIR: PAN AM FOURTH FREQUENCY AND INTRODUCTION -- OF 747'S

REF: A) STATE 169676 AND PREV, B) STATE 234555,C)LAGOS 12347

1. WE HAVE DISCUSSED NIGERIA SITUATION WITHIN USG AS
WELL AS WITH PAN AM OFFICIALS IN ORDER TO REACH SOME
POSITION WHICH MIGHT ACHIEVE A MUTUALLY SATISFACTORY
SOLUTION. SINCE THE PROBLEM IS COMPLEX WITH WIDE-RANGING
RAMIFICATIONS AND REPERCUSSIONS IT REQUIRES A NON-STANDARD
REACTION.

2. THE ESSENTIAL ISSUE IS NOT THE FOURTH 707 FREQUENCY BUT THE INTRODUCTION OF THE THREE 747'S WHICH PAN AM PLANS TO BEGIN IN DECEMBER. AS THE EMBASSY WAS INFORMED IN REFTEL B, THE INTRODUCTION OF THE 747 IS THE MOST CONFIDENTIAL

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IMPORTANT FACTOR IN PAA'S ACHIEVING A VIABLE WEST AFRICAN OPERATION. THE RATIONALE FOR THE 747 SERVICE WAS FULLY EXPLAINED IN REFTEL B WHICH THE EMBASSY BROUGHT TO FMG'S ATTENTION.

3. ONE OF THE ITEMS WHICH HELPED ACHIEVE AN AGREEMENT WITH THE FMG LAST OCTOBER WAS THE IMPORTANCE OF THE NEED

TO CORRECT THE THEN UNSTABLE FOUNDATION ON WHICH PAN AM'S WEST AFRICA OPERATIONS WERE BASED. AS THE EMBASSY WILL RECALL, THERE WAS CONSIDERABLE DISCUSSION OF THE CAPACITY

ISSUE DURING THE NEGOTIATIONS AND THE US CHAIRMAN MADE IT VERY CLEAR THAT PAN AM INTENDED TO INTRODUCE A FOURTH 707 FREQUENCY, EVEN PRIOR TO THE INTRODUCTION OF THE 747'S. THE COMPROMISE REACHED, WHICH ALLOWED SIGNING THE FINAL AGREEMENT. WAS THE BALANCING OF OPPOSING VIEWS IN WHICH THE FMG AGREED TO OMIT FROM ARTICLE 9 A STATEMENT ALLOWING PRIOR VETO (WHICH THE USG OPPOSED) FOR OUR ACCEPTANCE OF THEIR STATEMENT IN THE MOU, IN WHICH THEY NOTED, WITHOUT COMMITMENT, PAN AM'S INTENTIONS. IT WAS A COMPROMISE WHICH, THOUGH NOT WRITTEN, NEVERTHE-LESS EMBODIED THE SPIRIT AND INTENTION OF BOTH PARTIES AS WELL AS HELPING TO PROVIDE A BASIS FOR FINAL AGREEMENT. AT NO TIME DURING THE NEGOTIATIONS DID THE FMG CHAIRMAN, OR ANY OF HIS DELEGATION, GIVE US ANY REASON TO BELIEVE THAT THE FOURTH FREQUENCY OR THE CONVERSION TO THE 747 WOULD BE A PROBLEM, ONCE NIGERIAN AIRWAYS BEGAN SERVICE. THEREFORE, ALL THE ARGUMENTS CONTAINED IN REFTEL A ARE EX POST FACTO RATIONALE INTENDED TO COVER NIGERIAN AIRWAYS' POOR OPERATION.

4. ALTHOUGH THE OPTIONS CITED IN REFTEL A EXIST, NONE IS PRACTICAL CONSIDERING THE PRIME OBJECTIVE OF INTRODUCING CONFIDENTIAL.

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THE THREE 747'S. TO RENEGOTIATE THE AGREEMENT WOULD BE COUNTER-PRODUCTIVE BECAUSE IT WOULD BE TANTAMOUNT TO SAYING IN ADVANCE THAT THE USG CONDONED THE RIGHT OF A PRIORI VETO. APART FROM THIS, THERE IS NO REASON TO BELIEVE THAT THE FMG WOULD AGREE TO THE USG POSITION IN A RENEGOTIATION.

5. IN VIEW OF THE ABOVE AND THE VITAL IMPORTANCE ATTACHED BY PAA TO THE INTRODUCTION OF ITS THREE WIDE-BODIED JETS IN DECEMBER, WE WISH TO EXPEND MAXIMUM EFFORT TO ASSURE ACCEPTANCE BY THE FMG OF THE NEW 747 SCHEDULE PRIOR TO ITS INTRODUCTION IN DECEMBER. IF FMG REJECTION OF PAA'S FOURTH 707 FREQUENCY IS DUE ONLY TO ITS PROTECTION OF NIGERIAN AIRWAYS, THEN SOME MODUS OPERANDI WILL HAVE TO BE WORKED OUT WITH THAT AIRLINE IN ORDER TO GAIN THEIR COOPERATION. AS THE DEPARTMENT SEES IT, NIGERIAN AIRWAYS HAS TO BE BROUGHT UP TO A MORE COMPETITIVE LEVEL BEFORE PAA WILL BE ALLOWED TO OPERATE ITS NEW SCHEDULE. TO DO THIS IT WILL BE NECESSARY FOR PAA OFFICIALS TO DISCUSS OPERATIONS WITH NIGERIAN AIRWAYS IN ORDER TO ACHIEVE SOME MUTUALLY SATISFACTORY SOLUTION. THE POSSIBILITIES TO BE CONSIDERED INCLUDE,

INTER ALIA, TECHNICAL COOPERATION AND BLOCKED SPACE ARRANGEMENTS. AT THE SAME TIME, THE DEPT FEELS IT WILL BE NECESSARY FOR THE AMBASSADOR TO MEET WITH THE HIGHEST POSSIBLE LEVEL IN THE GOVERNMENT TO OBTAIN ITS

COOPERATION AND ASSENT TO EXERT SUFFICIENT PRESSURE ON NIGERIAN AIRWAYS IN ORDER TO ALLOW PAN AM'S OPERATION TO START IN DECEMBER. AT THIS MEETING THE AMBASSADOR SHOULD NOTE THE SERIOUSNESS WITH WHICH THE USG VIEWS THE PRESENT SITUATION AND STRESS THAT IT IS TO OUR MUTUAL INTEREST TO ACHIEVE AGREEMENT.

6. ACTION REQUESTED. THE AMBASSADOR SHOULD MEET WITH FMG OFFICIALS AT THE HIGHEST, MOST PRACTICAL LEVEL TO CONFIDENTIAL.

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EMPHASIZE THE USG VIEW THAT DENIAL OF THE PROPOSED INTRODUCTION OF THE WIDE-BODIED AIRCRAFT WOULD BE INCONSISTENT WITH THE PURPOSES OF THE AGREEMENT AND THAT THE USG CONSIDERS THE OBLIGATIONS UNDERTAKEN BY THE FMG IN THE BILATERAL AS SERIOUS COMMITMENTS. THE AMBASSADOR MAY ALSO WISH TO MENTION THAT THE USG REGRETS WHATEVER MISUNDERSTANDINGS WHICH MAY HAVE ARISEN OVER THE AGREEMENT BUT BELIEVES SINCE BOTH COUNTRIES ARE ACTING IN GOOD FAITH IT IS TO OUR MUTUAL INTEREST TO SOLVE THE PROBLEM IN A POSITIVE WAY RATHER THAN TO CREATE ADDITIONAL RESTRICTIONS WHICH WOULD BENEFIT NEITHER PARTY. ADDITIONALLY, THE AMBASSADOR MIGHT SAY THAT IT IS ALSO IN THE COMMON GOOD THAT NIGERIAN AIRWAYS BE ASSISTED IN IMPLEMENTING ITS NEW US SERVICE AND TO THAT END PAA IS PREPARING TO SEND A DELEGATION TO LAGOS, LED BY A SENIOR OFFICER, (ONCE AUTHORITY HAS BEEN GRANTED BY THE CAB) TO DISCUSS WITH NIGERIAN AIRWAYS NOT ONLY THE PROBLEMS WHICH ARE PREVENTING THE INTRODUCTION OF THE FOURTH 707 FREQUENCY AND CONDITIONS WHICH MIGHT HAVE A BEARING ON THE INTRODUC-TION OF THE THREE 747'S LATER THIS YEAR, BUT ALSO TO DISCUSS THE POSSIBILITIES OF ASSISTANCE AS MENTIONED IN PARA 4 ABOVE. THE DEPT ALSO SUGGESTS THAT THE AMBASSADOR, EITHER PRIOR TO HIS DISCUSSION WITH THE FMG OFFICIAL, OR JUST AFTER, INTRODUCE THE LOCAL PAA REPRE-SENTATIVE TO THE OFFICIAL IN ORDER TO STRESS THE IMPORTANCE THE USG PLACES ON THE MATTER. IN ANY EVENT, EVERY EFFORT SHOULD BE MADE TO OBTAIN FMG'S APPROVAL OF THE THREE 747'S AND THE AMBASSADOR SHOULD TAKE WHATEVER ACTION HE FEELS IS NECESSARY TO ACCOMPLISH THIS OBJECTIVE. CHRISTOPHER

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